GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:695
ANSWERED ON:02.03.2007
MISUSE OF CREDIT CARDS
Bhagora Shri Mahavir

Will the Minister of FINANCE be pleased to state:

(a) whether it has come to the notice of the Government that credit card number and CW number have been misused for fraudulent buying of e-tickets and other economic crimes;

(b) if so, the details thereof;

(c) the number of such cases reported during each of the last three years; and

(d) the steps taken/being taken to check misuse of credit cards?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Reserve Bank of India (RBI) has reported that the following two cases regarding misuse of credit cards for fraudulent buying of e-tickets and other economic crimes came to their notice in the recent past:

(i) Reserve Bank of India, based on a newspaper report dated 25.1.2007 regarding fraudulent purchase of online tickets in King Fisher Airlines using Credit cards and Customer Verification Value (CW) numbers issued by ICICI Bank Ltd., had called for details of the fraud from ICICI Bank. A complaint has been lodged by King Fisher Airlines and the Economic Offences Wing (EOW) of Mumbai Police is investigating the matter and has so far arrested 9 people involved in this fraudulent activity.

(ii) In June 2006, HDFC Bank Ltd. had reported to RBI that one M/s Lucky Travels was providing cash against Credit cards. He used fake cards issued by banks abroad. The Bank had lodged a complaint with local police who arrested the Proprietor of M/s Lucky Travels.

(c) : The number of frauds in credit card segment and amount involved therein as reported by the banks to RBI, during the last three years, are as under:

(Rs.in lakhs)

Type of Banks	2004		2005		2006	
	No.offrauds	Amt.involved	No.offrauds	Amt.involved	No.offrauds	Amt.involved
Public SectorBanks	111	89.46	327	276.94	10	21.36
Private SectorBanks	2699	293.81	5274	662.25	13350	1771.17
Foreiqn Banks	3205	766.37	3188	897.35	3908	1207.99
Total Frauds	6015	1149.64	8789	1836.54	17268	3000.52

The above data includes all types of transactions and data pertaining to buying of E-tickets is not available separately.

(d) : RBI had issued guidelines to banks on credit card operations, which were consolidated in a Master Circular, dated July 1, 2006.